

1 BILL NO. R-83- 04-21

2 RESOLUTION NO. R- 20-83.

3 A RESOLUTION FINDING, DETERMINING  
4 AND RATIFYING AN INDUCEMENT RESOLUTION  
5 OF THE FORT WAYNE ECONOMIC DEVELOPMENT COMMISSION  
6 AUTHORIZING THE ISSUANCE AND SALE OF  
7 \$1,400,000.00 ECONOMIC REVENUE BONDS OF THE  
8 CITY OF FORT WAYNE, INDIANA,  
9 FOR THE PURPOSE OF INDUCING THE APPLICANT,  
10 MARKET BUILDING COMPANY  
11 TO PROCEED WITH THE ACQUISITION  
12 CONSTRUCTION AND EQUIPPING OF THE PROJECT.

13 WHEREAS, the City of Fort Wayne, Indiana, (the "Issuer") is  
14 authorized by I.C. Sec. 36-7-12 (the "Act") to issue revenue  
15 bonds for the financing of economic development facilities, the  
16 funds from said financing to be used for the acquisition,  
17 construction and equipping of said facilities, and said facili-  
18 ties to be either sold or leased to another person or directly  
19 owned by another person; and

20 WHEREAS, Market Building Company (the "Applicant") has  
21 advised the Fort Wayne Economic Development Commission and the  
22 Issuer that it proposes that the Issuer acquire and equip an  
23 economic development facility and sell and/or lease the same to  
24 the Applicant or loan proceeds of an economic development  
25 financing to the Applicant for the same, said economic develop-  
26 ment facility to be acquisition of 15,000 sq. foot vacant office  
27 building and parking lot, rehabilitation of same into first  
28 class office space, and costs of issuance to be leased to  
29 Waterfield Mortgage Co., Inc., Bonahoom, Chapman, McNellis &  
30 Michaels and others, located at 817-829 South Bar Street, Fort  
31 Wayne, Indiana (the "Project"); and

32 WHEREAS, the diversification of industry and an increase in  
18 jobs to be achieved by acquisition and construction and  
equipping of the Project will be of public benefit to the  
health, safety and general welfare of the Issuer and its  
citizens; and

1           WHEREAS, having received the advice of the Fort Wayne  
2       Economic Development Commission, it would appear that the  
3       financing of the Project would be of public benefit to the  
4       health, safety and general welfare of the Issuer and its  
5       citizens; and

6           WHEREAS, the acquisition and construction of the faci-  
7       lity will not have an adverse effect on any similar facility  
8       already constructed or operating in or about Fort Wayne,  
9       Indiana.

10           NOW THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF  
11       THE CITY OF FORT WAYNE, INDIANA:

12           SECTION 1. The Common Council finds, determines, rati-  
13       fies and confirms the promotion of diversification of economic  
14       development and job opportunities in and near Fort Wayne,  
15       Indiana and in Allen County, is desirable to preserve the  
16       health, safety and general welfare of the citizens of the  
17       Issuer; and that it is in the public interest that Fort Wayne  
18       Economic Development Commission and said Issuer take such action  
19       as it lawfully may to encourage diversification of industry and  
20       promotion of job opportunities in and near said Issuer.

21           SECTION 2. The Common Council further finds, deter-  
22       mines, ratifies and confirms that the issuance and sale of reve-  
23       nue bonds in an amount not to exceed \$1,400,000.00 of the Issuer  
24       under the Act for the acquisition, construction and equipping of  
25       the Project and the sale or leasing of such a financing to the  
26       Applicant for such purposes will serve the public purpose  
27       referred to above, in accordance with the Act.


28           SECTION 3. In order to induce the Applicant to proceed  
29       with the acquisition, construction and equipping of the Project,  
30       the Common Council hereby finds, determines, ratifies and con-  
31       firms that (i) it will take or cause to be taken such actions  
32       pursuant to the Act as may be required to implement the afore-

1 said financing, or as it may deem appropriate in pursuance  
2 thereof, provided that all of the foregoing shall be mutually  
3 acceptable to the Issuer and the Applicant; and (ii) it will  
4 adopt such ordinances and resolutions and authorize the execu-  
5 tion and delivery of such instruments and the taking of such  
6 action as may be necessary and advisable for the authorization,  
7 issuance and sale of said economic development bonds.

8 SECTION 4. All costs of the Project incurred after the  
9 passage of this Inducement Resolution, including disbursement or  
10 repayment of the Applicant of monies expended by the Applicant  
11 for planning, engineering, interest paid during construction,  
12 underwriting expenses, attorney and bond counsel fees, acquisi-  
13 tion, construction and equipping of the Project will be per-  
14 mitted to be included as part of the bond issue to finance said  
15 Project, and the Issuer will thereafter either sell or lease the  
16 same to the Applicant or loan the proceeds of such financing to  
17 the Applicant for the same purposes.

18  
19   
COUNCILMAN

20 APPROVED AS TO FORM AND  
21 LEGALITY.

22   
23 John J. Wernet, Attorney for the  
24 Economic Development Commission  
Dated this 5th day of April, 1983



Read the first time in full and on motion by GioQuinta,  
seconded by Talarico, and duly adopted, read the second time  
by title and referred to the Committee Finance (and the City  
Plan Commission for recommendation) and Public Hearing to be held after  
due legal notice, at the Council Chambers, City-County Building, Fort Wayne,  
Indiana, on \_\_\_\_\_, the \_\_\_\_\_ day of  
\_\_\_\_\_, 19\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M., E.S.T.

DATE: 4-12-83

Charles W. Westerman  
CHARLES W. WESTERMAN - CITY CLERK

Read the third time in full and on motion by GioQuinta,  
seconded by Talarico, and duly adopted, placed on its  
passage. PASSED (~~LOST~~) by the following vote:

	<u>AYES</u>	<u>NAYS</u>	<u>ABSTAINED</u>	<u>ABSENT</u>	<u>TO-WIT:</u>
<u>TOTAL VOTES</u>	<u>9</u>	_____	_____	_____	_____
<u>BRADBURY</u>	<u>✓</u>	_____	_____	_____	_____
<u>BURNS</u>	<u>✓</u>	_____	_____	_____	_____
<u>EISBART</u>	<u>✓</u>	_____	_____	_____	_____
<u>GiaQUINTA</u>	<u>✓</u>	_____	_____	_____	_____
<u>SCHMIDT</u>	<u>✓</u>	_____	_____	_____	_____
<u>SCHOMBURG</u>	<u>✓</u>	_____	_____	_____	_____
<u>SCRUGGS</u>	<u>✓</u>	_____	_____	_____	_____
<u>STIER</u>	<u>✓</u>	_____	_____	_____	_____
<u>TALARICO</u>	<u>✓</u>	_____	_____	_____	_____

DATE: 4-26-83

Charles W. Westerman  
CHARLES W. WESTERMAN - CITY CLERK

Passed and adopted by the Common Council of the City of Fort Wayne,  
Indiana, as (~~ZONING MAP~~) (~~GENERAL~~) (~~ANNEXATION~~) (~~SPECIAL~~)  
(~~APPROPRIATION~~) ORDINANCE (RESOLUTION) NO. 7-20-83  
on the 26th day of April, 1983.

ATTEST:

(SEAL)

Charles W. Westerman  
CHARLES W. WESTERMAN - CITY CLERK

Ray A. Eberhart  
PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on  
the 27th day of April, 1983, at the hour of  
11:30 o'clock A. M., E.S.T.

Charles W. Westerman  
CHARLES W. WESTERMAN - CITY CLERK

Approved and signed by me this 28th day of April  
1983, at the hour of 11 o'clock A. M., E.S.T.

Win Moses, Jr.  
WIN MOSES, JR. - MAYOR

BILL NO. R-83-04-21

REPORT OF THE COMMITTEE ON FINANCE

WE, YOUR COMMITTEE ON FINANCE TO WHOM WAS REFERRED AN  
~~XXXXXXXXXX~~ A RESOLUTION FINDING, DETERMINING AND RATIFYING AN INDUCEMENT RESOLUTION  
~~ORDINANCE~~  
OF THE FORT WAYNE ECONOMIC DEVELOPMENT COMMISSION AUTHORIZING THE ISSUANCE AND SALE  
OF \$1,400,000.00 ECONOMIC REVENUE BONDS OF THE CITY OF FORT WAYNE, INDIANA, FOR  
THE PURPOSE OF INDUCING THE APPLICANT, MARKET BUILDING COMPANY TO PROCEED WITH THE  
ACQUISITION CONSTRUCTION AND EQUIPPING OF THE PROJECT

HAVE HAD SAID ORDINANCE UNDER CONSIDERATION AND BEG LEAVE TO REPORT  
BACK TO THE COMMON COUNCIL THAT SAID ORDINANCE DO PASS.

MARK E. GIAQUINTA, CHAIRMAN

*Mark E. Giaquinta*

JAMES S. STIER, VICE CHAIRMAN

*James S. Stier*

JANET G. BRADBURY

*Janet G. Bradbury*

SAMUEL J. TALARICO

*Samuel J. Talarico*

DONALD J. SCHMIDT

*Donald J. Schmidt*

*Concurred in 4-26-83*



# The City of Fort Wayne

April 11, 1983

Common Council of the  
City of Fort Wayne  
One Main Street  
Fort Wayne, IN 46802

Re: E.D.C. Application of Shive Nursing Centers, Inc.

Gentlemen and Mrs. Bradbury:

The attached application was granted an Inducement Resolution from the Fort Wayne Economic Development Commission on April 7, 1983, for economic development revenue bond financing. As a result, the Commission now introduces this application and inducement resolution (along with reports from the City Controller and City Plan Commission) to you for your consideration.

The Commission hopes that you will grant this project an Inducement Resolution. If you should have any questions, please do not hesitate to contact me at 423-5104.

Sincerely,

Fred Baughman  
Coordinator  
Economic Development Commission

hjk

enclosure

APPLICATION TO FORT WAYNE, INDIANA  
ECONOMIC DEVELOPMENT COMMISSION,  
FOR ECONOMIC DEVELOPMENT  
REVENUE BOND FINANCING

---

- (1) Applicant's name

The name of the Applicant is Shive Nursing Centers, Inc.

- (2) Address of Applicant's Principal Office and Place of Business.

The address of the principal office and place of business  
of the Applicant is: 1330 Medical Park Drive  
Fort Wayne, Indiana 46825

- (3) Type of organization under which the Applicant does business  
(e.g. corporation, partnership, sole proprietorship, joint venture).

The Applicant does business under the form of a  
corporation.

- (4) Under the laws of what State is the Applicant organized?

The Applicant is organized under the laws of the  
State of Indiana.

- (5) Business or business in which applicant is engaged?

The Applicant is engaged in the development and management  
of health care facilities for the elderly.

- (6) Is the applicant qualified to do business in Indiana?

The Applicant is qualified to do business in Indiana.





(7) Please list names and titles of principal operating personnel.

Donald Shive	-	Chairman of the Board
Wayne M. Shive	-	President
Rolf Grorud	-	Vice President
Ken Walter	-	Vice President

(8) Please list names of all persons or firms having an ownership interest of 10% or more in the applicant.

Donald Shive.

(9) Please list names of any persons who are both (a) shareholders or holders of any debt obligation of the applicant; and (b) officers or members of the Economic Development Commission; or members of the Common Council of the City; or members of the Allen County Council.

None.

(10) Has any person listed been (a) convicted of a felony, (b) convicted of or enjoined from any violation of state or federal securities laws, or (c) a part to any consent order or entry with respect to an alleged state or federal securities law violation, in each case within ten years preceding the date of this application?

No.



(11) What is applicant's net worth as of the end of the calendar or fiscal year quarter next preceding the date of the application?

See attached financial statement of the Applicant.

(12) How long has applicant been in business (a) under its present name, and (b) under any prior names? Please supply, if applicable.

The Applicant has been in business for 10 years.

(13) What is the proposed amount of the bond issue?

The proposed amount of the bond issue is One Million Dollars (\$1,000,000.00).

(14) How are the proceeds of the issue to be used? (Itemize by category of expenditure)

The proceeds of the bond issue are to be used as follows:

Building Addition	\$ 800,000.00
Equipment	150,000.00
Costs of Issuance	<u>50,000.00</u>
Total	\$1,000,000.00

(15) If the proceeds of the issue are not estimated to be sufficient to acquire, construct and/or remodel, and equip the proposed project, itemize the additional expenditures which will be necessary and indicate the source of such funds.

It is not contemplated that any additional expenditure would be required to complete the proposed project. Any such additional expenditures, which would likely be in the nature of cost overruns, would be financed by the Applicant.

(16) Where is the proposed project to be located? (Give street address and legal description as it appears on auditor's records).

The proposed project is a building addition to the health care facility owned by the Applicant at 5700 Wilkie Drive, Fort Wayne, Indiana (Covington Manor Nursing Center).

(17) Describe facilities to be constructed. (Provide architect's rendering if available).

17,000 square foot

The proposed facility to be constructed is a wood frame and brick veneer addition to Covington Manor Nursing Center to be located on the north side of the main building. The new facility will be used for an additional 59 beds, a dining room, a physical therapy room, and two administrative offices. The project will also consist of the purchase of additional kitchen equipment to meet the increased food service demands created by the new addition to Covington Manor Nursing Center.

(18) Is the project solely within the city limits of Fort Wayne? (If not, give the name of the township and/or other municipality in which it is located).

The project is solely within the city limits of the City of Fort Wayne.

(19) Is the property solely within the Fort Wayne Community School District? (If not, state the name of the School District in which it is located).

The project is solely within the Fort Wayne Community School District.

(20) What is the approximate size of the tract or parcel on which the property is to be situated?

The project is to be located on a parcel of real estate of approximately 8 acres.

(21) If the proposed project or a portion thereof is to be leased to another entity or entities, name the entity or entities and describe the portion to be leased. If no lease is contemplated, please indicate.

No lease of the proposed project is contemplated.

(22) What is the nature of the business to be conducted at this location?

The nature of the business to be conducted at the project site is operation of a health care facility for the elderly.

(23) Does existing zoning clearly permit construction and operation of the proposed project? The project is appropriate for existing zoning.

(a) - What is the existing zone?

B-4

(b) - What zone does project require?

B-4

(24) Will the proposed project have ready access to (a) water, and (b) sewers? If not, state how it is intended to obtain access to those utilities. The proposed project will have ready access to water and sewers.

(a)

(b)

(25) Are septic tank or other temporary sewage treatment and disposal facilities to be used in lieu of sewers?

No.

(26) Describe briefly any adverse environmental impact anticipated by reason of operation of the proposed project, with particular reference to air, noise or water pollution.

No adverse environmental impact from the project is anticipated.

(27) If the project is constructed, will any existing jobs be lost by reason of reduction or cessation of operations (a) in the City, (b) in Allen County, or (c) elsewhere in the State of Indiana?

The completion of this project will not cause a loss of existing jobs in the City, in Allen County, or in the State of Indiana.

(28) Describe briefly by category the nature of the new jobs to be created.

The nature of the new jobs to be created by the project are:

- |  |                                    |
|--|------------------------------------|
| (1) Professional nursing staff;                  | (5) Assistant director of nursing; |
| (2) Non-professional nursing staff;              | (6) Building clerk;                |
| (3) Activities and social services co-ordinator; | (7) Housekeeping staff; and        |
| (4) Maintenance staff;                           | (8) Dietary staff.                 |

(29) State the number of new jobs to be created (a) immediately after the proposed facilities are placed into operation, and (b) within three years thereafter.

(a) 60 new jobs to be created within 6 months of project  
~~to~~ completion (45 jobs will be full-time, 15 jobs will be part-time).

(30) What additional annual payroll will the new jobs generate (a) immediately after the proposed facilities are placed into operation, and (b) within three years thereafter.

(a) \$600,000 annual payroll to be generated within  
~~xxx~~ 6 months of project completion.

(31) If the proposed project would not be approved for tax-exempt financing, is there any substantial possibility that loss of existing jobs would occur in (a) the City, (b) the County, or (c) the State of Indiana? If the answer to either (a), (b) or (c) is affirmative, what would be the approximate number of jobs lost and the approximate net annual dollar amount of payroll loss?

No.



(32) Has the proposed project been informally reviewed by bond counsel to determine whether it is in accordance with the applicable state and federal law? If so, by what firm of bond counsel?

The proposed project has been informally reviewed by the firm of Shoaff, Parker & Keegan to determine its compliance with applicable state and federal law.

(33) Have tentative or final arrangements been made for sale of the bonds? Describe briefly any such arrangements.

The Applicant is currently engaged in discussions with an underwriter for the private placement or public sale of the bonds.

(34) Describe briefly the proposed method of financing. (Direct, loan, lease, sale, etc.)

The proposed method of financing is a loan of bond proceeds from the City of Fort Wayne which will be secured by a first mortgage on the project.

SHIVE NURSING CENTERS, INC.

Name of Applicant

BY:

Wayne M. Shive

Its President

Dated this March day of March, 1983.

State name, address and phone number of person to be contacted and given notice about this applicant:

Lawrence E. Shine  
Shoaff, Parker & Keegan  
2400 Fort Wayne Bank Building, P. O. Box 12709  
Fort Wayne, Indiana 46864  
(219) 424-8000

FINANCIAL STATEMENTS  
SHIVE NURSING CENTERS, INC.  
FORT WAYNE, INDIANA  
SEPTEMBER 30, 1982

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**Bair & Rupp**  
**Accountancy Corporation**

CERTIFIED PUBLIC ACCOUNTANTS

4410 Executive Blvd. Suite 14A

Fort Wayne, Indiana 46808

Phone: 219/484-9655

MICHAEL W. BAIR, CPA  
MARK E. RUPP, CPA

Members:

American Institute of  
Certified Public Accountants

Indiana CPA Society

BOARD OF DIRECTORS  
SHIVE NURSING CENTERS, INC.  
FORT WAYNE, INDIANA

GENTLEMEN:

WE HAVE EXAMINED THE ACCOMPANYING STATEMENTS OF FINANCIAL POSITION OF SHIVE NURSING CENTERS, INC. AS OF SEPTEMBER 30, 1982 AND 1981, AND THE RELATED STATEMENTS OF EARNINGS, RETAINED EARNINGS, AND CHANGES IN FINANCIAL POSITION FOR THE YEARS THEN ENDED. OUR EXAMINATIONS WERE MADE IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS AND, ACCORDINGLY, INCLUDED SUCH TESTS OF THE ACCOUNTING RECORDS AND SUCH OTHER AUDITING PROCEDURES AS WE CONSIDERED NECESSARY IN THE CIRCUMSTANCES.

IN OUR OPINION, THE AFOREMENTIONED FINANCIAL STATEMENTS PRESENT FAIRLY THE FINANCIAL POSITION OF SHIVE NURSING CENTERS, INC. AT SEPTEMBER 30, 1982 AND 1981, AND THE RESULTS OF ITS OPERATIONS AND THE CHANGES IN ITS FINANCIAL POSITION FOR THE YEARS THEN ENDED, IN CONFORMITY WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES WHICH, EXCEPT FOR THE CHANGE IN THE METHOD OF REPORTING THE STATEMENT OF CHANGES IN FINANCIAL POSITION, WITH WHICH WE CONCUR, AS DESCRIBED IN NOTE 12 TO THE FINANCIAL STATEMENTS, HAVE BEEN APPLIED ON A CONSISTENT BASIS.

NOVEMBER 19, 1982

*Bair & Rupp*  
BAIR & RUPP ACCOUNTANCY CORPORATION



STATEMENTS OF FINANCIAL POSITION  
SHIVE NURSING CENTERS, INC.  
FORT WAYNE, INDIANA

	<u>SEPTEMBER 30,</u>	
	<u>1982</u>	<u>1981</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
CASH	\$ 396,071	\$ 317,167
CASH - RESIDENTS' TRUST ACCOUNTS	41,890	35,375
CASH - EMPLOYEES' INSURANCE ACCOUNT	10,051	7,024
ACCOUNTS RECEIVABLE - TRADE	284,955	301,492
ACCOUNTS RECEIVABLE - OTHER	57,709	1,282
INVENTORIES	43,004	43,252
PREPAID EXPENSES AND MORTGAGE ESCROWS	32,506	50,960
FEDERAL INCOME TAX REFUND DUE	24,522	-0-
REIMBURSABLE CONSTRUCTION COSTS	17,000	198,077
<u>TOTAL CURRENT ASSETS</u>	<u>\$ 907,708</u>	<u>\$ 954,629</u>
<u>PROPERTY, PLANT AND EQUIPMENT</u>		
LAND	\$ 196,680	\$ 196,680
LAND IMPROVEMENTS	507,167	506,382
BUILDINGS	4,770,126	4,652,966
FURNITURE AND EQUIPMENT	843,173	765,613
TRANSPORTATION EQUIPMENT	113,932	93,523
CONSTRUCTION IN PROCESS	121,537	-0-
	<u>\$ 6,552,615</u>	<u>\$ 6,215,164</u>
LESS ACCUMULATED DEPRECIATION	1,508,531	1,196,219
<u>NET PROPERTY, PLANT AND EQUIPMENT</u>	<u>\$ 5,044,084</u>	<u>\$ 5,018,945</u>
<u>OTHER ASSETS</u>		
CASH SURRENDER VALUE OF LIFE INSURANCE -		
NET OF LOAN OF \$5,583	\$ 8,196	\$ 6,281
DEPOSITS	2,150	2,630
LAND HELD FOR INVESTMENT	98,300	58,300
UNAMORTIZED LOAN COSTS - NET OF		
ACCUMULATED AMORTIZATION OF \$28,046 AND		
\$22,669 RESPECTIVELY	73,350	78,727
ACCOUNTS RECEIVABLE - RELATED PARTIES	692,599	836,034
<u>TOTAL OTHER ASSETS</u>	<u>\$ 874,595</u>	<u>\$ 981,972</u>
	<u>\$ 6,826,387</u>	<u>\$ 6,955,546</u>

SEE ACCOUNTANTS' AUDIT REPORT AND NOTES TO FINANCIAL STATEMENTS.

	SEPTEMBER 30,	
	1982	1981
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
<u>CURRENT LIABILITIES</u>		
CURRENT PORTION OF LONG-TERM DEBT	\$ 173,385	\$ 152,262
NOTE PAYABLE - BANK	150,000	250,000
ACCOUNTS PAYABLE - TRADE	189,461	345,729
MEDICAID COST SETTLEMENTS	22,320	-0-
RESIDENTS' TRUST FUNDS PAYABLE	41,890	35,375
EMPLOYEES' INSURANCE FUND	10,051	7,024
EMPLOYEES' PAYROLL WITHHOLDINGS	12,165	9,025
ACCRUED EXPENSES	313,104	251,899
ACCRUED STATE AND CITY INCOME TAXES	26,000	49,806
ACCRUED FEDERAL INCOME TAXES	-0-	18,206
<u>TOTAL CURRENT LIABILITIES</u>	<u>\$ 938,376</u>	<u>\$ 1,119,326</u>
<u>LONG-TERM LIABILITIES</u>		
MORTGAGE NOTES PAYABLE	\$ 4,798,662	\$ 4,900,275
EQUIPMENT CONTRACTS PAYABLE	42,707	66,722
LEASE CONTRACTS PAYABLE	24,937	47,593
CONSTRUCTION NOTE PAYABLE	37,387	-0-
	<u>\$ 4,903,693</u>	<u>\$ 5,014,590</u>
LESS CURRENT PORTION	173,385	152,262
<u>TOTAL LONG-TERM LIABILITIES</u>	<u>\$ 4,730,308</u>	<u>\$ 4,862,328</u>
<u>OTHER LIABILITIES</u>		
DEFERRED INCOME TAXES	\$ 63,430	\$ 28,432
<u>TOTAL LIABILITIES</u>	<u>\$ 5,732,114</u>	<u>\$ 6,010,086</u>
<u>STOCKHOLDERS' EQUITY</u>		
COMMON STOCK - NO PAR VALUE		
AUTHORIZED - 1,000 SHARES		
ISSUED AND OUTSTANDING - 228 SHARES	\$ 2,280	\$ 2,280
ADDITIONAL PAID-IN CAPITAL	660,620	660,620
RETAINED EARNINGS - EXHIBIT B	431,373	282,560
<u>TOTAL STOCKHOLDERS' EQUITY</u>	<u>\$ 1,094,273</u>	<u>\$ 945,460</u>
	<u>\$ 6,826,387</u>	<u>\$ 6,955,546</u>

STATEMENTS OF EARNINGS AND RETAINED EARNINGS  
SHIVE NURSING CENTERS, INC.  
FORT WAYNE, INDIANA

	YEAR ENDED SEPTEMBER 30,	
	1982	1981
<u>REVENUES</u>		
DAILY SERVICE REVENUES	\$ 7,467,237	\$ 6,610,300
THERAPY INCOME	85,978	97,000
MEDICAL SERVICES REVENUE	23,958	23,800
RENTAL AND MANAGEMENT FEE INCOME	177,076	33,000
GAIN (LOSS) ON SALE OF CAPITAL ASSETS	4,596	(20,800)
CONSTRUCTION FEES	32,159	55,000
OTHER INCOME	20,854	16,000
<u>TOTAL REVENUES</u>	<u>\$ 7,811,858</u>	<u>\$ 6,814,400</u>
<u>OPERATING EXPENSES</u>		
NURSING SERVICES	\$ 2,220,709	\$ 2,040,110
DIETARY SERVICES	880,008	829,580
LAUNDRY AND HOUSEKEEPING	441,116	388,170
SOCIAL SERVICES	120,443	101,560
PLANT OPERATIONS	485,628	394,190
OWNERSHIP EXPENSE	993,932	950,470
GENERAL AND ADMINISTRATIVE	2,411,305	1,557,850
<u>TOTAL OPERATING EXPENSES</u>	<u>\$ 7,553,141</u>	<u>\$ 6,261,970</u>
<u>EARNINGS BEFORE PROVISION FOR INCOME TAXES</u>	<u>\$ 258,717</u>	<u>\$ 552,430</u>
<u>PROVISION FOR INCOME TAXES</u>	<u>109,904</u>	<u>246,710</u>
<u>NET EARNINGS</u>	<u>\$ 148,813</u>	<u>\$ 305,720</u>
<u>RETAINED EARNINGS</u>		
<u>BALANCE (DEFICIT) - BEGINNING</u>	<u>282,560</u>	<u>(23,220)</u>
<u>BALANCE - ENDING</u>	<u>\$ 431,373</u>	<u>\$ 282,560</u>

SEE ACCOUNTANTS' AUDIT REPORT AND NOTES TO FINANCIAL STATEMENTS.

STATEMENTS OF CHANGES IN FINANCIAL POSITION  
SHIVE NURSING CENTERS, INC.  
FORT WAYNE, INDIANA

	YEAR ENDED SEPTEMBER 30,	
	1982	1981
<u>SOURCE OF FUNDS</u>		
OPERATIONS:		
NET EARNINGS - EXHIBIT B	\$ 148,813	\$ 305,71
ADD (SUBTRACT) ITEMS NOT AFFECTING WORKING CAPITAL:		
DEPRECIATION AND AMORTIZATION	337,435	318,8
DEFERRED INCOME TAXES	34,998	24,8
(GAIN) LOSS ON SALE OF EQUIPMENT	(4,596)	20,8
BOOK VALUE OF EQUIPMENT SCRAPPED	3,862	-
MANAGEMENT FEE REVENUE ACCRUED	(23,627)	-
<u>TOTAL WORKING CAPITAL PROVIDED BY OPERATIONS</u>	<u>\$ 496,885</u>	<u>\$ 670,3</u>
PROCEEDS FROM SALE OF EQUIPMENT	14,377	19,6
ADDITIONAL LONG-TERM DEBT	43,442	384,4
REPAYMENT OF ADVANCES TO RELATED PARTIES - NET	167,062	-
DECREASE IN DEPOSITS	480	11,9
ISSUANCE OF COMMON STOCK	-0-	4
<u>TOTAL SOURCE OF FUNDS</u>	<u>\$ 722,246</u>	<u>\$ 1,086,7</u>
<u>APPLICATION OF FUNDS</u>		
CONSTRUCTION AND PURCHASE OF PROPERTY, PLANT AND EQUIPMENT	\$ 370,840	\$ 392,1
PURCHASE OF LAND FOR INVESTMENT PURPOSES	40,000	-
PRINCIPAL PAYMENTS ON LONG-TERM DEBT	154,339	234,2
ADVANCES TO RELATED PARTIES - NET	-0-	99,5
INCREASE IN CASH VALUE OF LIFE INSURANCE	1,915	6,2
INCREASE IN CURRENT PORTION OF LONG-TERM DEBT	21,123	17,4
ADDITIONAL LOAN COSTS	-0-	4,4
<u>TOTAL APPLICATION OF FUNDS</u>	<u>\$ 588,217</u>	<u>\$ 754,1</u>
 <u>INCREASE IN WORKING CAPITAL</u>	 <u>\$ 134,029</u>	 <u>\$ 332,5</u>
 <u>WORKING CAPITAL (DEFICIT) - BEGINNING</u>	 <u>(164,697)</u>	 <u>(497,2</u>
<u>WORKING CAPITAL (DEFICIT)- ENDING</u>	<u>\$ (30,668)</u>	<u>\$ (164,6</u>

SEE ACCOUNTANTS' AUDIT REPORT AND NOTES TO FINANCIAL STATEMENTS.



NOTES TO FINANCIAL STATEMENTS  
SHIVE NURSING CENTERS, INC.  
FORT WAYNE, INDIANA  
SEPTEMBER 30, 1982

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FIXED ASSETS AND DEPRECIATION

ITEMS CAPITALIZED AS PROPERTY, PLANT AND EQUIPMENT, INCLUDING SIGNIFICANT IMPROVEMENTS OF EXISTING FACILITIES, ARE CARRIED AT COST. EXPENDITURES FOR MAINTENANCE AND REPAIRS ARE EXPENSED WHEN INCURRED.

DEPRECIATION IS COMPUTED BY SUBSTANTIALLY THE STRAIGHT-LINE METHOD FOR FINANCIAL REPORTING PURPOSES AT RATES ADEQUATE TO RECOVER THE COST OF THE APPLICABLE ASSETS OVER THEIR ESTIMATED USEFUL LIVES. FOR INCOME TAX PURPOSES DEPRECIATION IS COMPUTED BY BOTH STRAIGHT-LINE AND ACCELERATED METHODS. UPON SALE OR RETIREMENT OF PROPERTY, PLANT AND EQUIPMENT, THE COST AND RELATED ACCUMULATED DEPRECIATION ARE REMOVED FROM THE RESPECTIVE ACCOUNTS, AND THE RESULTING GAIN OR LOSS IS INCLUDED IN INCOME.

THE COST OF BUILDINGS AS REFLECTED IN THE ACCOMPANYING FINANCIAL STATEMENTS INCLUDES BUILDERS' FEES IN THE AMOUNT OF \$462,000 WHICH ARE NOT DEPRECIABLE FOR INCOME TAX PURPOSES. THESE FEES WERE OWED TO THE MAJORITY STOCKHOLDER AS COMPENSATION FOR ACTING IN THE CAPACITY OF GENERAL CONTRACTOR. IN LIEU OF PAYMENT, THE MAJORITY STOCKHOLDER HAS ELECTED TO TREAT THE AMOUNT DUE HIM AS ADDITIONAL PAID-IN CAPITAL.

INVENTORIES

INVENTORIES ARE VALUED AT THE LOWER OF COST OR MARKET WITH COST BEING DETERMINED BY THE FIRST-IN, FIRST-OUT METHOD.

AMORTIZATION

COSTS ASSOCIATED WITH THE ACQUISITION OF PERMANENT MORTGAGES ARE BEING AMORTIZED OVER THE TERMS OF THE LOANS, WHICH ARE 10 TO 25 YEARS.

REVENUE RECOGNITION

REVENUE FROM LONG-TERM CONSTRUCTION CONTRACTS IS RECOGNIZED BY THE PERCENTAGE-OF-COMPLETION METHOD. CONTRACTS FOR THE CONSTRUCTION OF NURSING FACILITIES ARE MADE ON A COST PLUS BUILDER'S FEE BASIS. THE DETERMINATION OF FEE REVENUE TO BE RECOGNIZED IS MADE BY COMPARING TOTAL COSTS INCURRED TO DATE TO THE TOTAL ESTIMATED JOB COST AS DETERMINED BY MANAGEMENT.

INCOME TAX PROVISION

THE CORPORATION PROVIDES FOR FEDERAL, STATE AND CITY INCOME TAXES AT THE STATUTORY RATES IN EFFECT ON INCOME BEFORE INCOME TAXES FOR FINANCIAL REPORTING PURPOSES. DEFERRED INCOME TAXES ARISE FROM TIMING DIFFERENCES CREATED BY THE VARIATIONS IN DEPRECIATION METHODS USED FOR FINANCIAL STATEMENT PURPOSES VERSUS INCOME TAX PURPOSES.

NOTES TO FINANCIAL STATEMENTS  
SHIVE NURSING CENTERS, INC.  
FORT WAYNE, INDIANA  
SEPTEMBER 30, 1982

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

INCOME TAX PROVISION (CONT'D.)

INVESTMENT TAX CREDITS ARE ACCOUNTED FOR AS A REDUCTION OF THE INCOME TAX PROVISION IN THE YEAR THE RELATED ASSETS ARE PLACED IN SERVICE.

PRIOR TO OCTOBER 1, 1979, THE STOCKHOLDERS OF THE CORPORATION HAD ELECTED FOR FEDERAL AND STATE INCOME TAX PURPOSES TO BE TAXED INDIVIDUALLY ON THE CORPORATE EARNINGS. EFFECTIVE OCTOBER 1, 1979, THE ELECTION HAD BEEN REVOKED.

INVESTMENT IN LAND

LAND HELD FOR INVESTMENT PURPOSES IS CARRIED AT ORIGINAL COST.

COMPARABILITY

CERTAIN 1981 FIGURES HAVE BEEN RECLASSIFIED WHERE NECESSARY TO CONFORM WITH THE FINANCIAL PRESENTATION USED FOR 1982.

NOTE 2: GOVERNMENTAL COST SETTLEMENTS

THE COMPANY PROVIDES A PORTION OF ITS NURSING CARE SERVICES TO BENEFICIARIES OF STATE AND FEDERAL PROGRAMS. THE FOLLOWING IS A SUMMARY OF THESE GOVERNMENT REIMBURSEMENT PROGRAMS:

INDIANA MEDICAID

THE INDIANA MEDICAID PROGRAM IS A PROSPECTIVE PROGRAM WITH NO RESTROSPECTIVE COST SETTLEMENTS. THE COMPANY OPERATES THREE NURSING FACILITIES IN THE STATE OF INDIANA.

OHIO MEDICAID

UNDER THE OHIO MEDICAID PROGRAM, PAYMENT FOR NURSING HOME CARE IS BASED ON A COMBINATION OF (A) A RETROSPECTIVE BASIS FOR SPECIFIED COSTS; (B) A PROSPECTIVE COST-RELATED BASIS FOR SPECIFIED COSTS; AND (C) A HISTORICAL COST BASIS FOR SPECIFIED COSTS. THE COMPANY OPERATES TWO NURSING FACILITIES IN THE STATE OF OHIO. NOTICE OF RETROSPECTIVE COST SETTLEMENTS HAVE BEEN RECEIVED AS FOLLOWS:

	<u>COST REPORTING PERIOD(S)</u>	<u>AMOUNT OF CLAIM -DUE TO MEDICAID</u>
FACILITY #1	DECEMBER 1, 1978 TO JUNE 30, 1980	\$ 56,535
FACILITY #2	JULY 1, 1980 TO DECEMBER 31, 1980	<u>26,058</u>
		<u>\$ 82,593</u>

NOTES TO FINANCIAL STATEMENTS  
SHIVE NURSING CENTERS, INC.  
FORT WAYNE, INDIANA  
SEPTEMBER 30, 1982

NOTE 2: GOVERNMENTAL COST SETTLEMENTS (CONT'D.)

OHIO MEDICAID (CONT'D.)

THE COMPANY HAS APPEALED BOTH OF THESE CLAIMS; FINAL SETTLEMENT IS STILL PENDING. THE ESTIMATED AMOUNT OWED FOR THESE TWO FACILITIES FOR THE REPORTING PERIODS INDICATED IS \$22,320, WHICH HAS BEEN PROVIDED FOR IN THE ACCOMPANYING FINANCIAL STATEMENTS.

COST REPORTING PERIODS SUBSEQUENT TO THOSE INDICATED HAVE NOT YET BEEN REVIEWED BY THE OHIO DEPARTMENT OF PUBLIC WELFARE. A COST SETTLEMENT DUE TO THE OHIO MEDICAID PROGRAM IS ANTICIPATED FOR PERIODS THROUGH 1982; HOWEVER, DUE TO THE COMPLEXITY OF THE PROGRAM AND ITS APPEALS SYSTEM, THE AMOUNT IS INDETERMINABLE AND HAS NOT BEEN PROVIDED FOR IN THESE FINANCIAL STATEMENTS.

MEDICARE

THE MEDICARE PROGRAM IS A RETROSPECTIVE COST REIMBURSEMENT PROGRAM. MEDICARE PAYMENTS ARE BASED ON THE LOWER OF CUSTOMARY CHARGES TO PRIVATE PATIENTS OR REASONABLE COSTS OF THE FACILITIES AS ALLOWED BY THE MEDICARE PROGRAM.

THE COMPANY OPERATES TWO FACILITIES PARTICIPATING IN THE MEDICARE PROGRAM. RETROSPECTIVE COST SETTLEMENTS TOTALING \$4,115, DUE FROM THE MEDICARE PROGRAM, WERE RECEIVED OR ACCRUED DURING THE YEAR ENDED SEPTEMBER 30, 1982..

NOTE 3: RELATED PARTY TRANSACTIONS

FOLLOWING IS A DETAIL OF MATERIAL TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES. RELATED PARTIES INCLUDE STOCKHOLDERS AND BUSINESS ENTITIES RELATED THROUGH COMMON OWNERSHIP AND MANAGEMENT CONTROL.

ACCOUNTS RECEIVABLE - RELATED PARTIES - UNSECURED AND NON-INTEREST BEARING

BALANCE AT SEPTEMBER 30, 1981	\$ 836,034
ADVANCES MADE - YEAR ENDED	
SEPTEMBER 30, 1982	463,322
MANAGEMENT FEE REVENUE ACCRUED	23,627
REPAYMENT OF ADVANCES	<u>(630,384)</u>
BALANCE AT SEPTEMBER 30, 1982	<u>\$ 692,599</u>



NOTES TO FINANCIAL STATEMENTS  
SHIVE NURSING CENTERS, INC.  
FORT WAYNE, INDIANA  
SEPTEMBER 30, 1982

NOTE 3: RELATED PARTY TRANSACTIONS (CONT'D.)

MANAGEMENT FEE REVENUE

THE COMPANY HAS CONTRACTED WITH RELATED ENTITIES TO PROVIDE MANAGEMENT SERVICES. CURRENT CONTRACTS PROVIDE FOR SERVICES TO BE RENDERED TO FIVE NURSING FACILITIES AND TWO APARTMENT COMPLEXES. DURING THE FISCAL YEAR ENDING SEPTEMBER 30, 1983, ADDITIONAL CONTRACTS WITH TWO NURSING FACILITIES ARE ANTICIPATED. SERVICES RENDERED INCLUDE PAYMENT OF NURSING HOME ADMINISTRATORS' SALARIES, PAYROLL TAXES AND FRINGE BENEFITS; AS WELL AS ACCOUNTING, COMPUTER AND OTHER MANAGEMENT SERVICES. THE FEES EARNED FOR SUCH SERVICES ARE BASED UPON A PERCENTAGE OF TOTAL REVENUES OF THE CONTRACTING FACILITIES. MANAGEMENT FEES EARNED FOR THE YEAR ENDED SEPTEMBER 30, 1982 WERE \$172,576, OF WHICH \$148,949 WERE RECEIVED BY SEPTEMBER 30, 1982.

CONSTRUCTION CONTRACTS

THE COMPANY HAS CONTRACTED WITH RELATED COMPANIES FOR THE CONSTRUCTION OF NURSING FACILITIES ON THE BASIS OF COST PLUS A BUILDER'S FEE NOT TO EXCEED A SET AMOUNT. FOR THE YEAR ENDED SEPTEMBER 30, 1982, SUCH CONSTRUCTION FEES IN THE AMOUNT OF \$32,159 HAVE BEEN RECORDED AS REVENUE. AT SEPTEMBER 30, 1982, TOTAL COST INCURRED ON SUCH CONTRACTS, INCLUDING ESTIMATED EARNED FEE INCOME, WAS \$1,866,661, OF WHICH \$1,849,661 WAS REIMBURSED BY THE CONTRACTING COMPANIES. NET REIMBURSABLE CONSTRUCTION COSTS AT SEPTEMBER 30, 1982, WERE \$17,000.

FOR THE YEAR ENDED SEPTEMBER 30, 1981, CONSTRUCTION FEES IN THE AMOUNT OF \$55,000 WERE RECORDED AS REVENUE. AT SEPTEMBER 30, 1981, TOTAL COST INCURRED ON CONTRACTS, INCLUDING ESTIMATED EARNED FEE INCOME, WAS \$572,860, OF WHICH \$374,783 WAS REIMBURSED BY THE CONTRACTING COMPANIES. NET REIMBURSABLE CONSTRUCTION COSTS AT SEPTEMBER 30, 1981, WERE \$198,077.

CONTINGENT LIABILITIES

THE COMPANY IS CONTINGENTLY LIABLE ON ONE MORTGAGE NOTE COVERING ONE NURSING FACILITY AND ECONOMIC DEVELOPMENT BONDS COVERING TWO OTHER NURSING FACILITIES. THE FOLLOWING DETAILS THE CONTINGENCIES:



NOTES TO FINANCIAL STATEMENTS  
SHIVE NURSING CENTERS, INC.  
FORT WAYNE, INDIANA  
SEPTEMBER 30, 1982

NOTE 3: RELATED PARTY TRANSACTIONS (CONT'D.)

CONTINGENT LIABILITIES (CONT'D.)

<u>PRIMARY DEBTOR</u>	<u>SECURITY IN EVENT OF DEFAULT</u>	<u>OBLIGATION BALANCE SEPTEMBER 30, 1982</u>
MORTGAGE NOTE - LAKELAND NURSING CENTER, INC.	SECURITY AGREEMENT	\$ 548,000
BONDS - BRIGHTON HALL CO. (A PARTNERSHIP)	(**) GUARANTEE AGREEMENT	\$ 1,950,000
BONDS - BRIGHTON HALL CO. (A PARTNERSHIP)	(**) GUARANTEE AGREEMENT	(*) \$ 429,000

(\*) TOTAL AMOUNT OF BONDS ISSUED IS \$2,100,000 BUT AS OF SEPTEMBER 30, 1982 ONLY \$429,000 OF THE PROCEEDS HAD BEEN DRAWN.

(\*\*) IN EVENT OF DEFAULT BY THE PRIMARY DEBTOR, TITLE TO THE RESPECTIVE REAL ESTATE AND EQUIPMENT TRANSFERS TO SHIVE NURSING CENTERS, INC.

NOTE 4: NOTE PAYABLE - BANK

THE NOTE PAYABLE REPRESENTS DRAWS ON A 90-DAY LINE OF CREDIT. THE NOTE BEARS INTEREST AT A RATE BASED ON THE PRIME LENDING RATE AND IS SECURED BY AN INDEMNIFYING MORTGAGE.

NOTE 5: RESIDENTS' TRUST FUNDS PAYABLE

ACCORDING TO TERMS OF ADMISSION AGREEMENTS, THE COMPANY IS THE TRUSTEE OF RESIDENT FUNDS. THE FUNDS ARE EXPENDED AT THE DIRECTION OF THE RESIDENT OR THEIR REPRESENTATIVE FOR PERSONAL ITEMS. TOTAL TRUST FUNDS HELD AT SEPTEMBER 30, 1982 AND 1981, WERE \$41,890 AND \$35,375, RESPECTIVELY.

NOTES TO FINANCIAL STATEMENTS  
SHIVE NURSING CENTERS, INC.  
FORT WAYNE, INDIANA  
SEPTEMBER 30, 1982

NOTE 6: MORTGAGE NOTES AND EQUIPMENT CONTRACTS PAYABLE

MORTGAGE NOTES PAYABLE

THE MORTGAGE NOTES PAYABLE ARE DETAILED AS FOLLOWS:

SECURITY	PRINCIPAL BALANCE SEPTEMBER 30,		INTEREST RATE	MONTHLY PAYMENT	DUE DATE
	1982	1981			
REAL ESTATE - CORPORATE OFFICE	(*) \$ 151,160	\$ 157,417	12%	\$ 2,068	199
REAL ESTATE AND EQUIPMENT - UNIVERSITY PARK NURSING CENTER, FORT WAYNE, IN	(*) 756,816	770,594	10.50%	\$ 7,837	BALLO PAYME OF \$583,0 - 199
SECOND MORTGAGE - UNIVERSITY PARK NURSING CENTER, FORT WAYNE, IN	(*) 15,001	32,931	10.25%	\$ 1,710	198
REAL ESTATE AND EQUIPMENT - NORWOOD NURSING CENTER, HUNTINGTON, IN	(*) 531,076	540,725	10%	\$ 5,274	BALLO PAYME OF \$491,0 - 198
REAL ESTATE - EDGEWOOD MANOR NURSING CENTER, PORT CLINTON, OH	(*) 789,456	802,609	10%	\$ 7,724	BALLO PAYME OF \$732,0 - 198
REAL ESTATE - FAIRVIEW MANOR NURSING CENTER, TOLEDO, OH	1,144,126	1,171,419	11%	\$ 12,900	199
SECOND MORTGAGE - FAIRVIEW MANOR NURSING CENTER, TOLEDO, OH	267,337	270,738	11%	\$ 2,988	199

BAIR & RUPP ACCOUNTANCY CORPORATION

NOTES TO FINANCIAL STATEMENTS  
SHIVE NURSING CENTERS, INC.  
FORT WAYNE, INDIANA  
SEPTEMBER 30, 1982

NOTE 6: MORTGAGE NOTES AND EQUIPMENT CONTRACTS PAYABLE (CONT'D.)

MORTGAGE NOTES PAYABLE (CONT'D.)

<u>SECURITY</u>	<u>PRINCIPAL BALANCE</u>		<u>INTEREST RATE</u>	<u>MONTHLY PAYMENT</u>	<u>DUE DATE</u>
	<u>SEPTEMBER 30, 1982</u>	<u>SEPTEMBER 30, 1981</u>			
REAL ESTATE AND EQUIPMENT - COVINGTON MANOR NURSING CENTER, FORT WAYNE, IN	(*) \$ 1,094,041	\$ 1,103,906	10.75%	\$ 10,671	BALLO PAYMEN OF \$864,00 - 1994
CORPORATE CONDOMINIUM - CLEARWATER, FL	49,649	49,936	11.50%	\$ 501	2001
	<u>\$ 4,798,662</u>	<u>\$ 4,900,275</u>			

(\*) THESE NOTES ARE ADDITIONALLY SECURED BY PERSONAL GUARANTY OF THE MAJORITY STOCKHOLDER.

UNDER THE TERMS OF THE INDENTURE RELATING TO FIRST AND SECOND MORTGAGE NOTES, LIENS EXIST ON SUBSTANTIALLY ALL LAND AND BUILDINGS AS WELL AS SUBSTANTIALLY ALL EQUIPMENT OF THREE NURSING FACILITIES. INSTALLMENT PURCHASE OBLIGATIONS, CAPITALIZED LEASES, AND AN INDEMNIFYING MORTGAGE ARE COLLATERALIZED BY THE REMAINING PROPERTY, PLANT AND EQUIPMENT.

EQUIPMENT CONTRACTS PAYABLE

THE EQUIPMENT CONTRACTS PAYABLE ARE SECURED BY TRANSPORTATION EQUIPMENT AND OFFICE EQUIPMENT. THESE CONTRACTS BEAR INTEREST AT RATES VARYING FROM 13% TO 16%, ARE PAYABLE IN MONTHLY INSTALLMENTS OF \$2,307, INCLUDING PRINCIPAL AND INTEREST, AND ARE DUE ON VARIOUS DATES THROUGH AUGUST, 1986.

SUMMARY OF PRINCIPAL PAYMENTS

THE FOLLOWING IS A DETAIL OF THE ESTIMATED PRINCIPAL PORTION DUE FOR EACH OF THE FIVE SUCCEEDING FISCAL YEARS AND THE TOTAL PRINCIPAL DUE THEREAFTER:

FISCAL YEAR ENDING 1983	\$ 147,300
FISCAL YEAR ENDING 1984	109,000
FISCAL YEAR ENDING 1985	121,100
FISCAL YEAR ENDING 1986	1,350,500
FISCAL YEAR ENDING 1987	109,600
AFTER 1987	<u>3,003,869</u>
	<u>\$ 4,841,369</u>

NOTES TO FINANCIAL STATEMENTS  
SHIVE NURSING CENTERS, INC.  
FORT WAYNE, INDIANA  
SEPTEMBER 30, 1982

NOTE 7: LEASE CONTRACTS PAYABLE

THE CORPORATION HAS ENTERED INTO LEASES FOR EQUIPMENT WHICH HAVE BEEN CAPITALIZED IN ACCORDANCE WITH STATEMENT OF FINANCIAL ACCOUNTING STANDARDS NO. 13.

THE ASSET BALANCES OF THE LEASED PROPERTY UNDER CAPITAL LEASES ARE AS FOLLOWS:

	BALANCE SEPTEMBER 30,	
	1982	1981
LEASED EQUIPMENT UNDER CAPITAL LEASES	\$ 85,000	\$ 90,000
ACCUMULATED DEPRECIATION	(35,000)	(26,688)
	<u>\$ 50,000</u>	<u>\$ 63,312</u>

THE FOLLOWING IS A SCHEDULE BY YEARS OF FUTURE MINIMUM LEASE PAYMENTS UNDER CAPITAL LEASES TOGETHER WITH THE PRESENT VALUE OF THE NET MINIMUM LEASE PAYMENTS AS OF SEPTEMBER 30, 1982.

YEAR ENDING SEPTEMBER 30,	
1983	\$ 23,160
1984	<u>3,860</u>
TOTAL MINIMUM LEASE PAYMENTS	\$ 27,020
LESS AMOUNT REPRESENTING INTEREST	<u>2,083</u>
PRESENT VALUE OF NET MINIMUM LEASE PAYMENTS	<u>\$ 24,937</u>

NOTE 8: CONSTRUCTION NOTE PAYABLE

THE COMPANY IS IN THE PROCESS OF BUILDING A 36 BED ADDITION TO ONE OF THE NURSING FACILITIES. THE AMOUNT DRAWN FOR CONSTRUCTION AS OF SEPTEMBER 30, 1982, WAS \$37,387. THE TOTAL AMOUNT OF THE LOAN IS TO BE \$400,000 WITH CONSTRUCTION TO BE COMPLETED IN JANUARY, 1983. THE PRINCIPAL AND INTEREST PAYMENTS ARE TO BEGIN IN JANUARY, 1983, IN THE AMOUNT OF \$6,015 PER MONTH. THE INTEREST RATE IS 16.5% AND THE NOTE IS SECURED BY A SECOND MORTGAGE ON THE NURSING FACILITY. THE FOLLOWING IS A DETAIL OF THE ESTIMATED PRINCIPAL PORTION DUE FOR EACH OF THE FIVE SUCCEEDING FISCAL YEARS AND THE TOTAL PRINCIPAL DUE THEREAFTER:



NOTES TO FINANCIAL STATEMENTS  
SHIVE NURSING CENTERS, INC.  
FORT WAYNE, INDIANA  
SEPTEMBER 30, 1982

NOTE 8: CONSTRUCTION NOTE PAYABLE (CONT'D.)

FISCAL YEAR ENDING 1983	\$ 5,000
FISCAL YEAR ENDING 1984	7,400
FISCAL YEAR ENDING 1985	8,900
FISCAL YEAR ENDING 1986	378,700
FISCAL YEAR ENDING 1987	-0-
AFTER 1987	-0-
	<u>\$ 400,000</u>

NOTE 9: PROVISION FOR INCOME TAXES

THE COMPANY HAS PROVIDED FOR INCOME TAXES AS FOLLOWS:

	YEAR ENDED SEPTEMBER 30,	
	1982	1981
CURRENT	\$ 74,907	\$ 221,833
DEFERRED	34,997	24,877
	<u>\$ 109,904</u>	<u>\$ 246,710</u>

TOTAL INCOME TAX EXPENSE IS DIFFERENT FROM THE AMOUNT COMPUTED BY APPLYING THE FEDERAL GRADUATED TAX RATES TO EARNINGS BEFORE INCOME TAXES. THESE DIFFERENCES ARE RECONCILED AS FOLLOWS:

	AMOUNT SEPTEMBER 30,		PERCENTAGE OF PRE-TAX EARNING SEPTEMBER 30,	
	1982	1981	1982	1981
COMPUTED "EXPECTED" TAXES AT FEDERAL GRADUATED RATES	\$ 99,385	\$ 234,897	38.4	42.5
INCREASED (REDUCED) BY:				
STATE AND LOCAL INCOME TAXES -				
NET OF FEDERAL TAX BENEFIT	8,558	20,193	3.3	3.6
JOBS TAX CREDIT - NET EFFECT	-0-	(1,932)	-0-	(.3)
INVESTMENT TAX CREDIT - NET	(9,458)	(17,208)	(3.7)	(3.1)
PERMANENT DIFFERENCES BETWEEN "BOOK" AND "TAX" INCOME	7,145	9,877	2.8	1.8
OTHER	4,274	883	1.7	.2
	<u>\$ 109,904</u>	<u>\$ 246,710</u>	<u>42.5</u>	<u>44.7</u>

NOTES TO FINANCIAL STATEMENTS  
SHIVE NURSING CENTERS, INC.  
FORT WAYNE, INDIANA  
SEPTEMBER 30, 1982

NOTE 10: MAJORITY STOCKHOLDER

TWO HUNDRED SHARES OF COMMON STOCK OF SHIVE NURSING CENTERS, INC. HAVE BEEN PLEDGED AS COLLATERAL ON A PERSONAL OBLIGATION OF THE MAJORITY STOCKHOLDER.

NOTE 11: OFFICER COMPENSATION

THE COMPANY HAS PAID AMOUNTS TO SELECTED OFFICERS AND EXECUTIVES UNDER DISCRETIONARY SALARY AND BONUS ARRANGEMENTS. TOTAL AMOUNTS CHARGED TO EXPENSE AS OFFICER COMPENSATION UNDER SUCH ARRANGEMENTS FOR THE YEARS ENDED SEPTEMBER 30, 1982 AND 1981, WERE \$754,000 AND \$198,000, RESPECTIVELY.

NOTE 12: CHANGE IN ACCOUNTING PRINCIPLE

PRIOR TO OCTOBER 1, 1981, THE STATEMENT OF CHANGES IN FINANCIAL POSITION WAS REPORTED ON THE CASH BASIS. EFFECTIVE OCTOBER 1, 1981, THIS STATEMENT IS REPORTED ON A WORKING CAPITAL BASIS. THE STATEMENT OF CHANGES IN FINANCIAL POSITION FOR THE YEAR ENDED SEPTEMBER 30, 1981 HAS BEEN RESTATED TO REFLECT THIS CHANGE.

NOTE 13: EMPLOYEES' COMPENSATED ABSENCES

A LIABILITY FOR EMPLOYEES' UNPAID VACATION PAY HAS NOT BEEN ACCRUED IN THE ACCOMPANYING FINANCIAL STATEMENTS BECAUSE THE AMOUNT IS NOT REASONABLY ESTIMABLE AT SEPTEMBER 30, 1982.

SCHEDULE OF OPERATING EARNINGS

SHIVE NURSING CENTERS, INC.

FORT WAYNE, INDIANA

YEAR ENDED SEPTEMBER 30, 1982

WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 1981

YEAR ENDED SEPTEMBER 30, 1982

REVENUES

DAILY SERVICE REVENUES:

PRIVATE	\$ -0-	\$ 1,153,635	\$ 784,952	\$ 1,168,783	\$ 434,711	\$ 510,270	\$ 4,052,351
MEDICARE	-0-	-0-	5,083	24,183	-0-	-0-	29,266
MEDICAID	-0-	593,855	708,561	935,036	364,766	783,402	3,385,620
THERAPY INCOME	-0-	46,167	-0-	2,600	5,215	51,996	85,278
MEDICAL SERVICES REVENUE	-0-	-0-	8,144	-0-	15,814	-0-	22,958
RENTAL AND MANAGEMENT FEE INCOME	177,076	-0-	-0-	-0-	-0-	-0-	177,076
GAIN (LOSS) ON SALE OF CAPITAL ASSETS	4,519	77	-0-	-0-	-0-	-0-	4,596
CONSTRUCTION FEES	32,159	-0-	-0-	-0-	-0-	-0-	32,159
OTHER INCOME	10,288	1,508	-0-	-0-	-0-	-0-	10,288
TOTAL REVENUES	\$ 224,042	\$ 1,795,242	\$ 1,509,313	\$ 2,135,739	\$ 820,567	\$ 1,326,955	\$ 7,622,858

OPERATING EXPENSES

NURSING SERVICES	-0-	\$ 469,804	\$ 489,683	\$ 633,352	\$ 232,198	\$ 395,672	\$ 2,230,709
DIETARY SERVICES	-0-	193,202	181,979	229,708	103,247	171,872	880,008
LAUNDRY AND HOUSEKEEPING	-0-	82,418	97,322	127,436	48,470	85,470	467,134
SOCIAL SERVICES	-0-	24,608	27,130	32,615	11,196	24,894	47,244
PLANT OPERATIONS	20,315	85,536	109,097	134,693	67,645	68,342	455,638
OWNERSHIP EXPENSE	87,544	219,917	158,509	272,756	96,198	159,008	471,100
GENERAL AND ADMINISTRATIVE	1,432,441	195,785	216,612	257,088	122,907	186,472	1,111,100
TOTAL OPERATING EXPENSES	\$ 1,540,300	\$ 1,271,270	\$ 1,280,332	\$ 1,687,648	\$ 681,861	\$ 1,091,730	\$ 5,111,100

OPERATING EARNINGS (LOSS) BEFORE

INCOME TAXES

\$ 235,722

\$ 448,091

\$ 228,981

\$ 523,972

\$ (1,316,258)

\$ 138,706

ACCOUNTANTS' REPORT ON SUPPLEMENTARY  
FINANCIAL INFORMATION  
SHIVE NURSING CENTERS, INC.  
FORT WAYNE, INDIANA  
SEPTEMBER 30, 1982

BOARD OF DIRECTORS  
SHIVE NURSING CENTERS, INC.  
FORT WAYNE, INDIANA

GENTLEMEN:

THE PRIMARY PURPOSE OF OUR EXAMINATION WAS TO FORMULATE AN OPINION ON THE BASIC FINANCIAL STATEMENTS TAKEN AS A WHOLE. THE ACCOMPANYING ADDITIONAL FINANCIAL INFORMATION, WHILE NOT CONSIDERED NECESSARY FOR A FAIR PRESENTATION OF FINANCIAL POSITION AND RESULTS OF OPERATIONS, IS PRESENTED FOR SUPPLEMENTAL ANALYSIS PURPOSES. THIS SUPPLEMENTARY DATA HAS BEEN SUBJECTED TO THE AUDIT PROCEDURES APPLIED IN THE EXAMINATION OF THE BASIC FINANCIAL STATEMENTS, AND IN OUR OPINION, IS PRESENTED FAIRLY IN ALL MATERIAL RESPECTS IN RELATION TO THE BASIC FINANCIAL STATEMENTS TAKEN AS A WHOLE.

NOVEMBER 19, 1982

*Bair & Rupp*  
BAIR & RUPP ACCOUNTANCY CORPORATION



SCHEDULE OF OPERATING EXPENSES

SHIVE NURSING CENTERS, INC.

FORT WAYNE, INDIANA

YEAR ENDED SEPTEMBER 30, 1982

WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 1981

YEAR ENDED SEPTEMBER 30, 1982

	MANAGEMENT, RENTAL AND CONSTRUCTION DIVISION	COVINGTON MANOR NURSING CENTER	EDGEWOOD MANOR NURSING CENTER	FAIRVIEW MANOR NURSING CENTER	NORWOOD NURSING CENTER	UNIVERSITY PARC NURSING CENTER	TOTAL
NURSING SERVICES							
SALARIES AND WAGES:							
DIRECTOR OF NURSING	\$ -0-	\$ 17,431	\$ 19,829	\$ 20,418	\$ 16,021	\$ 18,067	\$ 91,766
REGISTERED NURSES	-0-	77,607	81,884	82,402	23,287	55,353	320,533
LICENSED PRACTICAL NURSES	-0-	19,331	70,433	119,810	13,698	35,230	258,502
MEDICAL RECORDS TECHNICIAN	-0-	-0-	7,582	11,126	-0-	-0-	18,708
AIDES AND ORDERLIES	-0-	304,048	274,874	324,194	163,059	247,773	1,313,948
CONTRACT SERVICES - NURSES AND AIDES	-0-	-0-	4,847	37,188	-0-	397	42,432
SUPPLIES AND OTHER	-0-	8,780	11,998	15,487	5,609	10,125	51,995
DIETITIAN SERVICES	-0-	869	1,100	1,799	654	790	5,212
PHYSICIANS' AND PHARMACY SERVICES	-0-	153	14,181	3,890	3,851	1,442	23,517
UTILIZATION REVIEW	-0-	-0-	1,575	1,530	-0-	-0-	3,105
THERAPY EXPENSE	-0-	41,585	1,380	15,508	6,019	26,495	90,987
	\$ -0-	\$ 469,804	\$ 489,683	\$ 633,352	\$ 232,198	\$ 395,672	\$ 2,220,702
DIETARY SERVICES							
SALARIES AND WAGES	\$ -0-	\$ 81,653	\$ 74,688	\$ 87,332	\$ 44,751	\$ 74,418	\$ 362,842
FOOD COSTS	-0-	106,842	91,882	125,941	51,113	84,948	460,726
SUPPLIES AND MINOR EQUIPMENT	-0-	4,707	15,409	16,435	7,383	12,506	55,440
	\$ -0-	\$ 193,202	\$ 181,979	\$ 229,708	\$ 103,247	\$ 171,872	\$ 880,008
LAUNDRY AND HOUSEKEEPING							
SALARIES AND WAGES	\$ -0-	\$ 64,212	\$ 61,161	\$ 91,414	\$ 30,088	\$ 64,329	\$ 311,204
SUPPLIES AND MINOR EQUIPMENT	-0-	11,481	17,550	20,270	9,673	12,064	71,038
LINEN AND BEDDING	-0-	6,725	18,197	8,206	8,709	9,077	50,914
CONTRACT LAUNDRY SERVICE	-0-	-0-	414	7,546	-0-	-0-	7,960
	\$ -0-	\$ 82,418	\$ 97,322	\$ 127,436	\$ 48,470	\$ 85,470	\$ 462,116
SOCIAL SERVICES							
SALARIES AND WAGES - ACTIVITY DIRECTOR	\$ -0-	\$ 10,992	\$ 11,075	\$ 13,026	\$ 9,642	\$ 10,792	\$ 55,597

FORT WAYNE, INDIANA  
YEAR ENDED SEPTEMBER 30, 1982  
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 1981

YEAR ENDED SEPTEMBER 30, 1982

MANAGEMENT, RENTAL AND CONSTRUCTION DIVISION	COVINGTON MANOR NURSING CENTER	EDGEWOOD MANOR NURSING CENTER	FAIRVIEW MANOR NURSING CENTER	NORWOOD NURSING CENTER	UNIVERSITY PARK NURSING CENTER	TOTAL	YEAR SEPT
\$ -0-	\$ 9,889	\$ 16,289	\$ 18,880	\$ 5,967	\$ 4,963	\$ 55,986	\$
1,192	4,748	12,134	11,409	6,495	6,559	42,537	
4,555	36,538	42,215	59,082	23,811	32,282	198,483	
329	8,387	8,121	8,597	11,565	4,898	41,897	
-0-	2,110	2,600	1,168	720	2,835	9,433	
2,070	6,045	2,817	6,433	1,767	1,421	20,553	
162	198	650	324	246	372	1,952	
9,611	9,225	14,436	14,010	10,997	9,327	67,555	
946	2,152	4,693	6,883	2,912	1,840	19,426	
1,266	6,244	4,199	5,523	2,570	3,431	23,233	
184	-0-	943	2,384	595	414	4,520	
\$ 20,315	\$ 85,536	\$ 109,097	\$ 134,693	\$ 67,645	\$ 68,342	\$ 485,623	\$

\$ 24,456	\$ 118,104	\$ 79,536	\$ 156,847	\$ 53,612	\$ 80,141	\$ 512,696	\$
7,170	5,023	1,280	3,514	-0-	922	17,909	
132	1,692	1,704	995	232	622	5,377	
36,728	68,859	55,427	81,360	32,044	57,640	332,058	
7,180	4,277	3,965	5,216	2,303	7,392	30,333	
11,878	21,962	16,597	24,824	8,007	12,291	95,559	
\$ 87,544	\$ 219,917	\$ 158,509	\$ 272,756	\$ 96,198	\$ 159,008	\$ 993,932	\$

PROPERTY TAX

FORT WAYNE, INDIANA  
 YEAR ENDED SEPTEMBER 30, 1982  
 WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 1981

YEAR ENDED SEPTEMBER 30, 1982

	MANAGEMENT, RENTAL AND CONSTRUCTION DIVISION	COVINGTON MANOR NURSING CENTER	EDGEWOOD MANOR NURSING CENTER	FAIRVIEW MANOR NURSING CENTER	NORWOOD NURSING CENTER	UNIVERSITY PARK NURSING CENTER	TOTAL	YE SEP
CIVILIAN AND ADMINISTRATIVE								
SALARIES AND WAGES:								
ADMINISTRATORS	\$ -0-	\$ 29,092	\$ 27,164	\$ 24,549	\$ 22,921	\$ 30,759	\$ 134,485	\$
OTHER	1,095,865	12,984	9,632	9,795	9,949	11,451	1,149,676	
LEGAL AND ACCOUNTING	61,421	290	-0-	2,404	4,389	150	68,654	
EQUIPMENT RENTAL	2,632	198	131	1,087	99	288	4,435	
FEASIBILITY COSTS	2,505	-0-	-0-	-0-	-0-	-0-	2,505	
DATA PROCESSING EXPENSE	33,624	-0-	-0-	-0-	-0-	-0-	33,624	
OFFICE SUPPLIES AND POSTAGE	23,271	9,129	5,600	7,961	3,702	6,087	55,750	
COMUNICATIONS	1,245	35	45	50	-0-	280	1,655	
ADVERTISING	13,880	4,301	1,787	4,892	2,698	4,334	31,892	
TRAVEL AND ENTERTAINMENT	46,348	3,354	1,907	2,037	635	1,328	55,609	
COMPUTING EDUCATION	3,285	295	903	1,703	356	1,112	7,654	
TELEPHONE	16,939	6,065	6,059	8,197	6,919	6,957	51,136	
LICENSES, FEES AND SUBSCRIPTIONS	6,083	576	1,509	3,362	613	751	12,894	
INTEREST - BORROWING CAPITAL LOANS	3,677	-0-	-0-	-0-	-0-	-0-	3,677	
AND DEBTS	-0-	-0-	3,254	3,983	420	2,127	9,784	
TAXES - PAYROLL	32,608	61,891	63,924	78,547	33,457	54,981	325,408	
TAXES - INDIANA GROSS INCOME	53,957	-0-	-0-	-0-	-0-	-0-	53,957	
INSURANCE:								
OFFICERS' LIFE	9,925	-0-	-0-	-0-	-0-	-0-	9,925	
GROUP HEALTH	10,142	8,079	12,389	11,147	3,873	6,450	52,080	
WORKERS' COMPENSATION	647	7,883	22,942	27,051	4,360	7,380	70,263	
VACATION, HOLIDAY AND BONUS PAY	-0-	33,503	44,095	50,276	18,856	36,255	183,015	
EMPLOYERS SHARE	-0-	14,306	12,525	14,005	6,970	11,584	59,390	
OTHER EMPLOYEE BENEFITS	215	2,000	1,357	3,597	1,669	2,940	11,778	
OTHER EXPENSE	14,172	1,804	1,389	2,445	1,021	1,228	22,052	
	\$ 1,432,441	\$ 195,785	\$ 216,612	\$ 257,088	\$ 122,907	\$ 186,472	\$ 2,411,305	\$
TOTAL OPERATING EXPENSES	\$ 1,540,300	\$ 1,271,270	\$ 1,280,332	\$ 1,687,648	\$ 681,861	\$ 1,091,730	\$ 7,553,141	\$





# The City of Fort Wayne

April 4, 1983

Mr. Bruce O. Boxberger  
City Attorney  
City-County Building  
Fort Wayne, Indiana

RE: EDC Application for Shive Nursing Centers, Inc.

Dear Bruce:

I have reviewed the application and financial statements of the above named applicant.

I find no problems with these documents which should deter action by the Commission.

Sincerely,

Frank W. Heyman  
City Controller





## THE CITY OF FORT WAYNE

CITY-COUNTY BUILDING • ONE MAIN STREET • FORT WAYNE, INDIANA 46802

city plan commission

5 April 1983

Mr. Fred Baughman, Coordinator  
Economic Development Commission  
City-County Building  
8th Floor  
Fort Wayne, IN 46802


Re: Shive Nursing Center, Inc.

Dear Mr. Baughman:

The property located at 5500 Wilkie Drive was approved by the City Board of Zoning Appeals for use as a Nursing Home, Professional Building, and Doctor's Office on March 3, 1977. The 1977 BZA approval would permit the expansion as proposed.

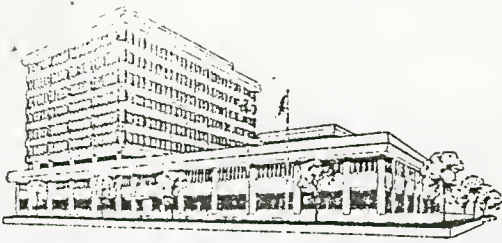
The only problem which does exist on this property is one that deals with drainage. Any problems relating to drainage or other construction issues must be resolved prior to issuance of any permits authorizing construction. We have enclosed a copy of a letter written by the County Surveyor dealing with the drainage problem that was written when the appeal, in 1977, was filed.

Sincerely,

  
Gary F. Baeten  
Senior Planner

GFB:pb

ENCL



William L. Sweet, P.E., L.S.  
ALLEN COUNTY SURVEYOR

ONE MAIN STREET, 6TH FLOOR

FORT WAYNE, INDIANA 46802

PHONE (219) 423-7625

March 3, 1977

City of Fort Wayne  
Board of Zoning Appeals  
City/County Building  
Fort Wayne, Indiana

Gentlemen:

I understand that you have a case before you (14-1977-Z) concerning an application for a nursing facility at 5500 Wilkie Drive.

Please be advised that this site has significant flood plain problems and that there are two lines of Legal drainage through the site on which State law gives this office jurisdiction. I have discussed these problems with representatives of Mr. Don Shive and they have indicated a willingness to cooperate with us in resolving these problems.

May I respectfully request that any approvals by you or permit applications which might result from your approval be made subject to review and approval by the County Surveyor of all plans.

Very truly yours,

William L. Sweet, P.E., L.S.  
Allen County Surveyor

WLS/hmf  
CC/ Mr. Troy Yoeman

INDUCEMENT RESOLUTION OF  
FORT WAYNE ECONOMIC DEVELOPMENT COMMISSION  
ON APPLICATION OF  
SHIVE NURSING CENTERS, INC.

WHEREAS, the City of Fort Wayne, Indiana, (the "Issuer") is authorized by Indiana Code Sec. 36-7-12 (the "Act") to issue revenue bonds for the financing of economic development facilities, the funds from said financing to be used for the acquisition, construction and equipping of said facilities, and said facilities to be either sold or leased to the user or developer; and

WHEREAS, Shive Nursing Centers, Inc. (the "Applicant"), has advised the Fort Wayne Economic Development Commission (the "Commission") and the Issuer that it proposes that the Issuer acquire and equip an economic development facility and sell and/or lease the same to the Applicant or loan proceeds of an economic development financing to the Applicant for the same, said economic development facility to be construction of a 17,000 square foot wood frame and brick veneer addition to the health care facility owned by the Applicant at 5700 Wilkie Drive, Fort Wayne, Indiana (Covington Manor Nursing Center), including costs of issuance, to be used for an additional 50 beds, a dining room, a physical therapy room and two administrative offices along with the purchase of additional kitchen equipment, (the "Project"); and

WHEREAS, the diversification of industry and increase in job opportunities to be achieved by the acquisition of the Project will be of public benefit to the health, safety and general welfare of the Issuer and its citizens; and

WHEREAS, it would appear that the financing of the Project would be of public benefit to the health, safety and general welfare

of the Issuer and its citizens or the citizens of Allen County, Indiana; and

WHEREAS, the acquisition and construction of the facility will not have an adverse competitive effect on any similar facility already constructed or operating in Allen County, Indiana.

NOW, THEREFORE, BE IT RESOLVED by the Commission as follows:

1. The Commission hereby finds and determines that the promotion of diversification of economic development and job opportunities in Fort Wayne, Indiana, is desirable to preserve the health, safety and general welfare of the citizens of the Issuer, and that it is in the public interest that the Commission and the Issuer take such action as they lawfully may to encourage economic development, diversification of industry and promotion of job opportunities in and near the Issuer.

2. The Commission hereby finds and determines that the issuance and sale of economic development revenue bonds in an amount of approximately \$1,000,000.00 of the Issuer under the Act for the acquisition, construction and equipping of the Project and the sale or leasing of the Project to the Applicant or the loan of the proceeds of the revenue bonds to the Applicant, will serve the public purposes referred to above, in accordance with the Act.

3. In order to induce the Applicant to proceed with the acquisition, construction and equipping of the Project, the Commission hereby finds and determines that (i) it will take or cause to be taken such actions pursuant to the Act as may be required to implement the aforesaid financing or as it may deem appropriate in pursuance thereof; provided that all of the foregoing shall be mutually acceptable to the Issuer and the Applicant; and (ii) it will adopt such resolutions and authorize the execution and delivery of such instruments and the taking of such action as may be necessary and advisable for the authorization, issuance and sale of said economic development revenue bonds.

4. All costs of the Project which may be financed under the Act will be permitted to be

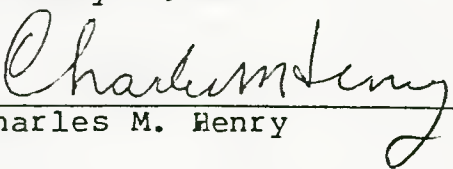


included as part of the bond issue to finance the Project, and the Issuer will sell or lease the same to the Applicant or loan the proceeds from the sale of the bonds to the Applicant for the same purposes.

5. This Resolution shall expire 180 days after the date of its adoption unless the Applicant either requests the Commission to adopt a final resolution approving closing documents or requests an extension from the Commission, which extension shall be granted upon good cause being shown.

ADOPTED this 7<sup>th</sup> day of April, 1983.

FORT WAYNE ECONOMIC DEVELOPMENT  
COMMISSION

  
\_\_\_\_\_  
Sidney R. Sheray  
\_\_\_\_\_  
Timothy Borne  
\_\_\_\_\_  
Charles M. Henry

\_\_\_\_\_  
Phil A. Howard

\_\_\_\_\_  
Stan Lipp

DIGEST SHEET

Q-13-04-21

TITLE OF ORDINANCE Inducement Resolution for an issue of \$1,400,000.00DEPARTMENT REQUESTING ORDINANCE Economic Development CommissionSYNOPSIS OF ORDINANCE Acquisition of 15,000 sq. ft. vacant officebuilding and parking lot, rehabilitation of same into firstclass office space, and costs of issuance to be leased toWaterfield Mortgage Co., Inc., Bonahoom, Chapman, McNellis &Michaels and others, located at 817-829 South Bar Street, FortWayne, Indiana, on application of Market Building Company.EFFECT OF PASSAGE Acquisition of office building creating 7 new jobsimmediately and 18 jobs within 3 years with an estimated payroll of  
\$118,000.00 immediately and \$403,000.00 within 3 years.EFFECT OF NON-PASSAGE None of the above.MONEY INVOLVED (DIRECT COSTS, EXPENDITURES, SAVINGS) None.

ASSIGNED TO COMMITTEE (PRESIDENT) \_\_\_\_\_